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### INITIATIVE 793

I, Sam Reed, Secretary of State of the State of Washington and custodian of its seal, hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 793 to the People is a true and correct copy as it was received by this office.

1       AN ACT Relating to education; amending 28A.150.260, 28A.150.420,  
2   28A.230.010, 28A.400.100, and 28A.400.110; reenacting and amending RCW  
3   28A.330.100; adding a new chapter to Title 28A RCW; and providing an  
4   effective date.

5   BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

6       NEW SECTION.   **Sec. 1.**   SHORT TITLE.   This act shall be known and  
7   cited as the little red schoolhouse act.

8       NEW SECTION.   **Sec. 2.**   COMMON PUBLIC SCHOOLS.   This chapter shall  
9   only apply to K-12 common public schools in school districts with over  
10   two thousand students.

11       NEW SECTION.   **Sec. 3.**   PURPOSE.   The purpose of this chapter is to:  
12       (1) Reduce school districts' central administration expenses and  
13   direct full student funding to the schools;  
14       (2) Increase student learning in accordance with RCW 28A.655.060;

(3) Ensure special education and bilingual student categorical funding reaches their schools;

(4) Assist the public school system in general by recruiting back students to public schools; and

(5) Establish an accountability system to insure and monitor this act.

NEW SECTION. **Sec. 4. STUDENT FUNDING.** (1) Ninety days after the effective date of this act, the office of the superintendent of public instruction shall publish how school districts are paid for each full-time and part-time equivalent student enrolled from all sources and grants, including federal, state, and local sources, and when. This publication shall follow current state laws and practices and those to be implemented in the school year 2004-05.

(2) Starting in the school year 2004-05, each school within a school district shall establish an individual school account within the general school district account.

(3) Starting in the school year 2004-05, one hundred percent of all state and federal educational funding and one hundred percent of the individual school district's maintenance and operation excess levy funding shall pass through the school district to the individual school account where the student who generates the funding is enrolled. This includes, but is not limited to one hundred percent of all student allocations appropriated for: Basic education under RCW 28A.150.260; students who are eligible for special education under chapter 28A.155 RCW; student transportation under chapter 28A.160 RCW; the learning assistance program under chapter 28A.165 RCW; the transitional bilingual instruction program under chapter 28A.180 RCW; highly capable students under chapter 28A.185 RCW; traffic safety under chapter 28A.220 RCW; food services under chapter 28A.235 RCW; and part-time students under chapter 28A.350 RCW, and transfer students.

(4) Starting in the school year 2004-05, all common school district funding, including but not limited to, transportation vehicle funds, school construction, and state emergency funds shall be paid into the school district account. These expenses shall be charged to the individual school accounts based on each school's specific costs, if applicable.

1        NEW SECTION.    **Sec. 5.**    REDUCING CENTRAL ADMINISTRATION COSTS.    (1)

2    Starting in the school year 2004-05, the legislature shall not  
3    appropriate funds for central administration expenditures in accordance  
4    with RCW 28A.150.260(1)(b). The legislature shall continue to fund  
5    this amount with an increase of two percent or more per biennium on the  
6    2001-02 funding level. The funding shall be credited to basic  
7    education funding and pass through the school district to the  
8    individual school accounts on an equal distribution basis based on  
9    student enrollment.

10        (2) Starting in the school year 2003-04, each school district,  
11    under the direction of the school board of directors, shall begin to  
12    reduce its central administration expenses in phases.

13        (3) The school district's total expenditures for central  
14    administration expenses shall not exceed the total percentage of the  
15    total district budget as provided for in this section. The percentages  
16    are based on each school district's size as follows: (a) for the  
17    school year 2003-04, six percent; and (b) for the school year 2004-05  
18    and each school year thereafter: Three percent for school districts  
19    with over fifteen thousand full-time equivalent students enrolled as of  
20    October 1st; three and one-half percent for school districts with under  
21    fifteen thousand full-time equivalent students enrolled as of October  
22    1st; and four percent for school districts with under seven thousand  
23    full-time equivalent students enrolled as of October 1st.

24        (4) In the spirit of this chapter, the legislature shall not  
25    allocate funding for certificated administrative staff and their  
26    related costs without first adequately funding programs to enhance  
27    learning in schools. This includes, but is not limited to, adding  
28    extra school days in accordance with RCW 28A.150.420 and adding extra  
29    school programs under RCW 28A.150.370.

30        NEW SECTION.    **Sec. 6.**    ADMINISTRATION FEE.    (1) To pay for the

31    central administration expenses for oversight and administering  
32    schools, the school district shall be paid an administration fee from  
33    the individual school accounts. In the school year 2004-05 and each  
34    school year thereafter, the school district shall be paid from the  
35    individual school account three percent for school districts with over  
36    fifteen thousand full-time equivalent students enrolled as of October  
37    1st; three and one-half percent for school districts with under fifteen  
38    thousand full-time equivalent students enrolled as of October 1st; and

1 four percent for school districts with under seven thousand full-time  
2 equivalent students enrolled as of October 1st.

3 (2) All of the accounts payable from individual school accounts  
4 shall be paid from the school district's account in accordance with  
5 state laws and statutes. The school district's accounting costs shall  
6 be included in the administration fee paid by each school starting in  
7 the 2004-05 school year.

8 (3) Individual schools, collectively or in partnership with others,  
9 may voluntarily choose to pay more for central administration services  
10 they choose to retain.

11 (4) Individual schools shall pay an administrative fee on all  
12 school district funds deposited or credited into its account in  
13 accordance with section 4 of this act, and all grants and cash  
14 receipts.

15 NEW SECTION. **Sec. 7. STATE AUDITOR.** (1) Within one hundred fifty  
16 days after the effective date of this act, the state auditor's office  
17 shall publish the current public school account expenses and accounting  
18 codes. This publication shall define all other relevant accounting  
19 information that the state auditor's office deems appropriate. This  
20 publication shall be based on current state laws and accounting  
21 practices. The state auditor shall be responsible to standardize  
22 and/or clarify any discrepancies of the expense codes for individual  
23 school's expenses and central administration expenses so that all state  
24 school's accounting practices are the same. The state auditor shall  
25 establish penalties and fines for schools and school districts to  
26 impose after the school year 2005-06.

27 (2) After the school year 2004-05, and each year thereafter, the  
28 state auditor's office shall conduct random audits on a minimum of five  
29 percent of the K-12 schools to ensure schools are meeting its  
30 requirements. The audits for the school years 2004-05 and 2005-06  
31 shall be assistance audits only. No penalties or fines shall be  
32 assessed.

33 (3) The individual school account shall include, but not be limited  
34 to, school administrators and staff, their payroll and benefits, and  
35 all of the building and grounds costs; utilities, office supplies,  
36 maintenance, etc., and any shared costs with other district buildings  
37 like transportation, insurance.

(4) The central administration expenses shall include, but not be limited to, payroll, benefits and payroll expenses, and perks for school boards of directors, central administrators and staff not working full time in schools, plus travel, facility, office expenses, and any other expenses and staff costs associated with fulfilling the central administration duties and operation. This includes, but is not limited to, maintenance, accounting, transportation, food services, legal, school construction, and bond issues.

NEW SECTION. **Sec. 8.** DEVELOPMENT OF SCHOOL BUDGETS. (1) Ninety days after the effective date of this act, the board of directors of each school district shall in good faith make available each school's yearly budget, how they generate income for the district, and the general district budget expenses. Each school shall become knowledgeable of its building costs and those of the district for the 2002-03 and 2003-04 school years.

(2) The principal shall take input from the certificated teachers and staff in the building at least once a year concerning the school's budget.

(3) The principal shall begin in early 2004 to develop the school budget for the school year 2004-05.

NEW SECTION. **Sec. 9.** THE PRINCIPAL. (1) The principal shall develop the final school budget for the school year 2004-05, and for each school year thereafter.

(2) The principal shall hire all new school teachers and staff for the school starting with the 2004-05 school year, and for each school year thereafter.

(3) The principal shall be responsible for the day-to-day operation of the school, including, but not limited to: Budget issues; the education program; all personnel functions; and maintenance and operation.

(4) The principal shall oversee that the student allocations received under section 4 of this act are spent fairly and equitably on basic education, special education, learning assistance programs, transitional bilingual instruction programs, highly capable students, and student transportation as required under this act and the state Constitution.

(5) Any principal who disagrees with any modification made to the proposed school budget by the school board of directors may seek nonbinding mediation with the state board under section 18 of this act.

NEW SECTION. **Sec. 10.** SCHOOL BOARDS OF DIRECTORS. (1) School boards of directors shall maintain their full duties, obligations, and responsibilities to manage school districts, including the yearly approval of each school's budget. This shall include, but not be limited to, corporate powers, construction funding, student transportation and vehicle acquisition, traffic safety, food services, handling of emergencies, liabilities for debt and judgments, and school building maintenance and property.

(2) It is the spirit of this chapter that school boards of directors will be interested in student learning and results, not in imposing inflexible day-to-day prescriptions and curricula on their schools.

(3) It is the spirit of this chapter that school boards of directors will work directly, cooperatively, and in good faith with their schools to eliminate barriers to learning and to assist schools in seeking state waivers that stand in the way of educating students.

NEW SECTION. **Sec. 11.** BUDGET AGREEMENT--AMENDMENT. (1) An approved budget by the school board of directors constitutes an agreement with its schools.

(2) A budget may be amended at any time at the request of the principal and on the approval of the school board of directors.

NEW SECTION. **Sec. 12.** CONTINUING CLOCK HOURS. Continuing clock hour classes that cover, but are not limited to, school budgets, accounting, maintenance and operational costs, and transportation practices shall qualify to be used in RCW 28A.150.410.

NEW SECTION. **Sec. 13.** CERTIFICATED TEACHERS. (1) Certificated teachers shall be encouraged to provide input to their principal while developing their school's budget. Teachers teaching students who generate additional categorical funds as provided in section 4 of this act shall provide input on how these additional funds might be directed to meet the learning needs of their students.

(2) Teachers who disagree with the final school budget developed by the principal under section 10 of this act may seek nonbinding mediation with the state board as provided in section 18 of this act.

NEW SECTION. **Sec. 14.** GRANTS AND MATCHES. A school shall not be penalized in any way by the state or its school board of directors because it has secured additional funding, in-kind matches, donated services, or any type of additional benefits for its students, staff, or parents.

NEW SECTION. **Sec. 15.** SCHOOL SERVICES. An individual school may purchase services and any or all of its maintenance or operational needs from its own district or from outside independent vendors with school board of directors' approval.

NEW SECTION. **Sec. 16.** RESERVE ACCOUNT. (1) The board of directors of each school district may require each of its schools to set aside up to three percent of its individual school budget into a reserve account as a safety net for emergencies or unforeseen costs. These funds shall be held in reserve to be used as the board directs to fulfill its duties and fiscal obligations in accordance with current state laws and statutes. If unspent by the board, the school may spend this reserve money the last three months of the school year or carry it over to the next year.

(2) The reserve funds may not be spent on central administration staff or their expenses.

NEW SECTION. **Sec. 17.** BUILDING MAINTENANCE. (1) The principal shall develop the school budget, including the maintenance and repair items required to keep their building safe and usable.

(2) School boards of directors shall define safe and usable conditions and require that these standards are met within the district in accordance with current laws and statutes. This shall be done through the school budget approval process.

(3) School boards of directors are not required to direct that equal maintenance money be spent on each school.

(4) If deemed necessary by the school board of directors, they may direct from any of their newer or recently remodeled schools up to four

1 percent of a school's budget to supplement repairs and upgrades on  
2 their older schools that require greater maintenance and repair.

3 (5) Within one hundred twenty days after the effective date of this  
4 act, the department of general administration shall adopt guidelines to  
5 assist school boards of directors and principals to identify and  
6 prioritize maintenance and repair items in their facilities. A goal of  
7 this section is to allow older schools to be brought up to safe usable  
8 standards without penalizing those schools to expend large percentages  
9 of their school budgets.

10 NEW SECTION. **Sec. 18.** NONBINDING MEDIATION. (1) One hundred  
11 fifty days after the effective date of this act, the state board of  
12 education shall set up guidelines to resolve disputed issues between  
13 teachers and principals, and between principals and school boards of  
14 directors. The mediation process shall be nonbinding on the parties.  
15 The guidelines may outline timelines, payment for nonbinding mediation  
16 costs from the school budget and the administration fee account, and  
17 any other format the state board might find appropriate.

18 (2) A principal or a teacher may submit any dispute to the state  
19 board of education. The state board, or its designee, shall hear the  
20 appeal within thirty days after submittal and seek to mediate a  
21 conflict to resolution.

22 NEW SECTION. **Sec. 19.** LITTLE RED SCHOOLHOUSE ACCOUNT. (1) The  
23 little red schoolhouse account is created in the custody of the state  
24 treasurer. All receipts from schools and school districts shall be  
25 deposited into the account. Only the state auditor or the auditor's  
26 designee may authorize expenditures from the account. Expenditures may  
27 be used to fund the state man-hours required to establish and carry out  
28 this chapter, and for any purposes the state auditor deems appropriate.  
29 The account is subject to allotment procedures under chapter 43.88 RCW,  
30 but an appropriation is not required for expenditures.

31 (2) Starting in the school year 2003-04, each school district under  
32 this chapter shall pay into the little red schoolhouse account fifteen  
33 dollars per full-time equivalent student enrolled in its district as of  
34 October 1st of each year. Payment shall be made by November 1, 2003.

35 (3) Starting in 2004-05, and each school year thereafter, each  
36 public school under this chapter shall pay into this account fifteen  
37 dollars per full-time equivalent student enrolled in its school on



1 October 1st of each year. Payment shall be made by November 1st of  
2 that year.

3 (4) The state auditor, with six months' notice, may lower the  
4 yearly fee, increase it up to ten percent a year, or charge additional  
5 fees for categorical full-time students who may require additional  
6 audit review, as deemed necessary.

7 NEW SECTION. **Sec. 20.** PUBLIC SCHOOL ISSUES. One hundred fifty  
8 days after the effective date of this act, the state board of education  
9 shall set up guidelines to assure that the schools covered under this  
10 chapter follow the state's laws providing access and equity to all  
11 students, meeting gender issues, and that all public schools remain  
12 nonsectarian. The guidelines shall be continually reviewed, expanded,  
13 and modified.

14 NEW SECTION. **Sec. 21.** REMOVING BARRIERS. One hundred fifty days  
15 after the effective date of this act, the office of the superintendent  
16 of public instruction shall adopt guidelines following current laws and  
17 statutes to assist schools that have identified educational barriers  
18 and voluntarily wish to address them. The guidelines may include, but  
19 not be limited to, adding more school days, adding a longer school day,  
20 bringing community or state services into the school, and alternative  
21 testing. The guidelines shall be continually reviewed, expanded, and  
22 modified.

23 NEW SECTION. **Sec. 22.** EXCESS SUPPLIES. Within one hundred twenty  
24 days after the effective date of this act, the office of the  
25 superintendent of public instruction shall provide guidelines for the  
26 disposal of all excessive school supplies and equipment. These  
27 guidelines shall include a central site where all school districts  
28 shall list their excessive supplies and equipment for a minimum of one  
29 hundred twenty days before selling or disposing of them.

30 **Sec. 23.** RCW 28A.150.260 and 1997 c 13 s 2 are each amended to  
31 read as follows:

32 The basic education allocation for each annual average full time  
33 equivalent student shall be determined in accordance with the following  
34 procedures:

1 (1) The governor shall and the superintendent of public instruction  
2 may recommend to the legislature a formula based on a ratio of students  
3 to staff for the distribution of a basic education allocation for each  
4 annual average full time equivalent student enrolled in a common  
5 school. The distribution formula shall have the primary objective of  
6 equalizing educational opportunities and shall provide appropriate  
7 recognition of the following costs among the various districts within  
8 the state:

9 (a) Certificated instructional staff and their related costs;

10 (b) ~~((Certificated administrative staff and their related costs;~~

11 ~~(e)))~~ Classified staff and their related costs;

12 ~~((d)))~~ (c) Nonsalary costs;

13 ~~((e)))~~ (d) Extraordinary costs of remote and necessary schools and  
14 small high schools, including costs of additional certificated and  
15 classified staff; and

16 ~~((f)))~~ (e) The attendance of students pursuant to RCW 28A.335.160  
17 and 28A.225.250 who do not reside within the servicing school district.

18 (2)(a) This formula for distribution of basic education funds shall  
19 be reviewed biennially by the superintendent and governor. The  
20 recommended formula shall be subject to approval, amendment or  
21 rejection by the legislature. The formula shall be for allocation  
22 purposes only. ~~((While the legislature intends that the allocations  
23 for additional instructional staff be used to increase the ratio of  
24 such staff to students, nothing in this section shall require districts  
25 to reduce the number of administrative staff below existing levels.))~~

26 (b) The formula adopted by the legislature shall reflect the  
27 following ratios at a minimum: (i) Forty-nine certificated  
28 instructional staff to one thousand annual average full time equivalent  
29 students enrolled in grades kindergarten through three; (ii) forty-six  
30 certificated instructional staff to one thousand annual average full  
31 time equivalent students in grades four through twelve; and (iii)  
32 ~~((four certificated administrative staff to one thousand annual average  
33 full time equivalent students in grades kindergarten through twelve;  
34 and (iv)))~~ sixteen and sixty-seven one-hundredths classified personnel  
35 to one thousand annual average full time equivalent students enrolled  
36 in grades kindergarten through twelve.

37 (c) In the event the legislature rejects the distribution formula  
38 recommended by the governor, without adopting a new distribution  
39 formula, the distribution formula for the previous school year shall

1 remain in effect: PROVIDED, That the distribution formula developed  
2 pursuant to this section shall be for state apportionment and  
3 equalization purposes only and shall not be construed as mandating  
4 specific operational functions of local school districts, except for  
5 the reduction of central administration expenses, other than those  
6 program requirements identified in RCW 28A.150.220 and 28A.150.100.  
7 The enrollment of any district shall be the annual average number of  
8 full time equivalent students and part time students as provided in RCW  
9 28A.150.350, enrolled on the first school day of each month and shall  
10 exclude full time equivalent students with disabilities recognized for  
11 the purposes of allocation of state funds for programs under RCW  
12 28A.155.010 through 28A.155.100. The definition of full time  
13 equivalent student shall be determined by rules of the superintendent  
14 of public instruction: PROVIDED, That the definition shall be included  
15 as part of the superintendent's biennial budget request: PROVIDED,  
16 FURTHER, That any revision of the present definition shall not take  
17 effect until approved by the house appropriations committee and the  
18 senate ways and means committee: PROVIDED, FURTHER, That the office of  
19 financial management shall make a monthly review of the  
20 superintendent's reported full time equivalent students in the common  
21 schools in conjunction with RCW 43.62.050.

22 (3)(a) Certificated instructional staff shall include those persons  
23 employed by a school district who are nonsupervisory employees within  
24 the meaning of RCW 41.59.020(8): PROVIDED, That in exceptional cases,  
25 people of unusual competence but without certification may teach  
26 students so long as a certificated person exercises general  
27 supervision: PROVIDED, FURTHER, That the hiring of such classified  
28 people shall not occur during a labor dispute and such classified  
29 people shall not be hired to replace certificated employees during a  
30 labor dispute.

31 (b) Certificated administrative staff shall include all those  
32 persons who are chief executive officers, chief administrative  
33 officers, confidential employees, supervisors, principals, or assistant  
34 principals within the meaning of RCW 41.59.020(4).

35 **Sec. 24.** RCW 28A.150.420 and 1989 c 233 s 10 are each amended to  
36 read as follows:

37 (1) The superintendent of public instruction shall establish  
38 procedures to allow school districts and individual schools to claim

1 basic education allocation funds for students attending classes that  
2 are provided outside the regular school year to the extent such  
3 attendance is in lieu of attendance during the regular school year or  
4 during an extended school day: PROVIDED, That nothing in this section  
5 shall be construed to alter the basic education allocation for which  
6 the district is otherwise eligible.

7 (2) Schools enrolling students under this section are entitled to  
8 full per pupil allocations based on the hours of classroom instruction  
9 attended, in accordance with statutes.

10 **Sec. 25.** RCW 28A.230.010 and 1990 c 33 s 237 are each amended to  
11 read as follows:

12 School district boards of directors, with input from principals,  
13 shall identify and offer courses with content that meet or exceed: (1)  
14 The basic education skills identified in RCW 28A.150.210; (2) the  
15 graduation requirements under RCW 28A.230.090; and (3) the courses  
16 required to meet the minimum college entrance requirements under RCW  
17 28A.230.130. Such courses may be applied or theoretical, academic or  
18 vocational.

19 **Sec. 26.** RCW 28A.400.100 and 2002 c 78 s 1 are each amended to  
20 read as follows:

21 School districts may employ public school principals and/or vice  
22 principals to supervise the operation and management of the school to  
23 which they are assigned. Such persons shall hold valid administrative  
24 certificates and shall hold or have held either valid teacher  
25 certificates or valid educational staff associate certificates.  
26 Persons who hold or have held valid educational staff associate  
27 certificates must also have demonstrated successful school-based  
28 experience in an instructional role with students. Persons whose  
29 certificates were revoked, suspended, or surrendered may not be  
30 employed as public school principals or vice principals. In addition  
31 to such other duties as shall be prescribed by law and by the job  
32 description adopted by the board of directors, each principal shall:

33 (1) Assume administrative authority, responsibility and  
34 instructional leadership, under the ~~((supervision of the school~~  
35 ~~district superintendent))~~ school board of directors, and in accordance  
36 with the policies of the school district ~~((board of directors))~~, for  
37 the development and management of the school budget, for the planning

1 management, supervision school budget management and development and  
2 evaluation of the educational program of the attendance area for which  
3 he or she is responsible((-))i

4 (2) Submit recommendations to the school ((~~district~~  
5 ~~superintendent~~)) board of directors regarding appointment, assignment,  
6 promotion, transfer and dismissal of all personnel assigned to the  
7 attendance area for which he or she is responsible((-))i

8 (3) Submit recommendations to the school ((~~district~~  
9 ~~superintendent~~)) board of directors regarding the fiscal needs to  
10 maintain and improve the instructional program of the attendance area  
11 for which he or she is responsible((-))i and

12 (4) Assume administrative authority and responsibility for the  
13 supervision, counseling and discipline of pupils in the attendance area  
14 for which he or she is responsible.

15 **Sec. 27.** RCW 28A.400.110 and 1997 c 266 s 12 are each amended to  
16 read as follows:

17 Within each school the school principal shall determine that  
18 appropriate student discipline is established and enforced. In order  
19 to assist the principal in carrying out the intent of this section, the  
20 principal and the certificated employees in a school building shall  
21 confer at least annually in order to develop and/or review building  
22 disciplinary standards and uniform enforcement of those standards.  
23 Such building standards shall be consistent with the provisions of RCW  
24 28A.600.020(3).

25 School principals and certificated employees shall also confer  
26 annually about the development of the school budget and meeting the  
27 learning needs of their students, and to establish criteria for  
28 determining when certificated employees must complete classes to  
29 improve classroom management skills.

30 NEW SECTION. **Sec. 28.** CAPTIONS NOT LAW. Captions used in this  
31 chapter do not constitute any part of the law.

32 NEW SECTION. **Sec. 29.** SEVERABILITY. If any provision of this act  
33 or its application to any person or circumstance is held invalid, the  
34 remainder of the act or the application of the provision to other  
35 persons or circumstances is not affected.

1        NEW SECTION.    **Sec. 30.**   Sections 1 through 22 and 28 of this act  
2   constitute a new chapter in Title 28A RCW.

3        NEW SECTION.    **Sec. 31.**   Section 25 of this act takes effect August  
4   1, 2004.

--- END ---